

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES
OF THE COALITION OF RELIGIOUS PRESS ASSOCIATIONS
REDIRECTED FROM WITNESS TAYMAN
(CRPA/USPS-T9-1-3)

The United States Postal Service hereby provides responses to the following
interrogatories of the Coalition of Religious Press Associations: CRPA/USPS-T9-1-
3, filed on September 15, 1997, and redirected from witness Tayman.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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September 29, 1997

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE CRPA
REDIRECTED FROM WITNESS TAYMAN

CRPA/USPS T-9-1. Local post offices currently promote the sale of "Looney Tunes" stamps and "stamp products" featuring Bugs Bunny and other cartoon characters. The "stamp products" include neckties, baseball caps, ear rings, pins, wrapping tissue, etc. Has the Postal Service entered any agreement by which any consideration, economic or otherwise, is either received by or paid by the Postal Service to the owner of the Looney Tunes characters for such use on stamps or stamp products? If your response is anything other than an unqualified "no", please describe all economic and non-economic considerations involved in the Postal Service's use of Looney Tunes characters.

RESPONSE:

The only Looney Tunes character that has appeared on a postage stamp is Bugs Bunny. The Postal Service did not pay royalties to the owner of this character, Time Warner Entertainment Company, for its use on the postage stamp. Pursuant to a license agreement between the Postal Service and Time Warner Entertainment Co., both the Postal Service and Time Warner Entertainment Company collect royalties from the use of the Bugs Bunny stamp design on retail products.

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CRPA/USPS T-9-2. Local post offices are currently selling an array of cartons and mailing envelopes. Does the Postal Service's sale of these products yield, or is it expected to yield, revenue in excess of the costs of these items to the Postal Service, i.e. a surplus?

RESPONSE:

The Postal Service does not track the total cost of selling cartons and mailing envelopes. However, it is the Postal Service's goal to earn revenues in excess of the costs of selling cartons and mailing envelopes.

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CRPA/USPS T-9-3. If your response to question CRPA/USPS T-9-2 is anything other than an unqualified "no", please indicate whether such surplus is used to offset the Postal Service's institutional costs.

RESPONSE:

Revenues from cartons and mailing envelopes are included under other income and contribute to the coverage of other costs. The costs of cartons and mailing envelopes are included under the other cost portion of segment 16, component 16.3.1. Other costs are allocated across all mail and service categories.

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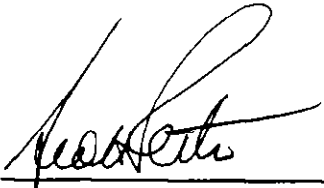
CRPA/USPS T-9-4 If your response to question CRPA-USPS T-9-2 is anything other than an unqualified "no", please indicate whether you believe it would be appropriate for the Postal Service to use the surplus from the sale of packaging products to meet some of the costs of transporting or delivering the mail.

RESPONSE:

The Postal Service believes that the current method is appropriate. See the response to CRPA/USPS T-9-3.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Scott L. Reiter

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